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PREPARATORY COMMITTEE FOR THE UNITED NATIONS
CONFERENCE ON ENVIRONMENT AND DEVELOPMENT
Third session
Geneva, 12 August-4 September 1991
Agenda item 2 (c)

PREPARATIONS FOR THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT ON THE BASIS OF GENERAL ASSEMBLY RESOLUTION 44/228 AND TAKING INTO ACCOUNT OTHER RELEVANT GENERAL ASSEMBLY RESOLUTIONS

CROSS-SECTORAL ISSUES

Australia: draft decision

Financial resources

GE.91-72286/7203a

92-09410

Recalling General Assembly resolution 44/228,

The Preparatory Committee,

1. Decides that it should make recommendations at its fourth session on financial resources issues, and that the following elements, drawn from UNCED objectives set out in resolution 44/228, should serve as the framework for such recommendations:

(a) Identification of ways and means of providing new and additional financial resources, particularly to developing countries, for environmentally sound development programmes and projects [44/228 OP15J];

(b) Identification of ways and means of providing additional financial resources for measures directed towards solving major environmental problems of global concern and especially of supporting those countries, in particular developing countries, for the implementation of such measures [44/228 OP15K];

Under (a) and (b), the Preparatory Committee should take into account, inter alia:

(i) Proposals concerning the need to provide adequate funding which covers the full incremental costs of implementing environment related development activities;

(ii) Proposals concerning the use of existing and any new financial resources, including from the following sources:

(a) Greater efficiency in domestic government expenditures;

(b) Enhanced use of market mechanisms to allocate resources;

(c) Private investment flows;

(d) Instruments for debt reduction;

(e) Increased trade through improved market access;

(f) Official development assistance;

(g) Voluntary donations from non-governmental sources;

(c) Consideration of various funding mechanisms, including voluntary ones, and the examination of the possibility of a special international fund and other innovative approaches, with a view to ensuring, on a favourable basis, the most effective and expeditious transfer of environmentally sound technologies to developing countries [44/228 OP15L];

(d) Quantification of the financial requirements of the successful implementation of UNCED decisions and recommendations and the identification of possible sources, including innovative ones, of additional resources [44/228 OP15V];

Under (c) and (d), the Preparatory Committee should take into account, inter alia:

(i) Existing funding mechanisms, including:

(a) The Global Environment Fund;

(b) The UNEP Voluntary Fund;

(c) Existing bilateral ODA channels;

(d) The Montreal Protocol Multilateral Fund;

(e) UNDP country programmes and funds;

(ii) Proposals for the establishment of a separate fund for each convention or proposed convention;

(iii) Proposals for the establishment of a general fund for the promotion of sustainable development/green fund (separate from the Global Environment Facility) which would cover activities not included in separate conventions and which would serve the sustainable development needs of developing countries, including Agenda 21;

(iv) Proposals for the establishment of separate funds to meet specific needs, including:

(a) A national capacity building fund;

(b) Issue specific voluntary funds;

(c) Bilateral arrangements under the concept of "partnerships-in-additionality";

(v) Proposals regarding predictability in funding of environmentally sustained development activities through any new general fund, including through assessed or voluntary contributions;

(vi) Proposals regarding the governance of any new funding mechanisms, reflecting:

(a) The need for accountability;

(b) The need for transparency;

(c) The need to build partnership among all countries involved;

2. Requests the secretariat to prepare possible draft elements on the above for inclusion in Agenda 21.